安 徽 皖 通 高 速 公 路 股 份 有 限 公 司

ANHUI EXPRESSWAY COMPANY LIMITED

(Established in the People's Republic of China with limited liability as a joint stock limited company)

(Stock code: 995)

2014 Annual Results Announcement

The board of directors of Anhui Expressway Company Limited (the"Company") together with its subsidiaries (the "Group") is pleased to present the audited results of the Group for the financial year ended 31 December 2014 prepared in accordance with Hong Kong Financial Reporting Standards, together with the comparative figures of 2013. They are as follows. The audit committee of the Company has reviewed the annual results for the financial year 2014:

I. Financial highlights

(Unless otherwise stated, all amounts expressed in Renminbi.)

Consolidated income statement
For the year ended 31 December 2014
(All amounts are in Renminbi thousands unless otherwise stated)

		Year ended 31 December	
	Note	**2014**	**2013**
Revenue	2	3,036,589	3,403,817
Cost of sales		(1,722,115)	(2,066,306)
Gross profit		1,314,474	1,337,511
Other gains - net		151,278	88,475
Administrative expenses		(149,648)	(99,149)
Operating profit		1,316,104	1,326,837
Finance costs	3	(172,689)	(144,828)
Share of profit of an associate		16,214	14,657
Profit before tax		1,159,629	1,196,666
Income tax expenses	4	(300,890)	(288,395)
Profit for the year		858,739	908,271
Attributable to:			
Owners of the Company		852,105	839,142
Non-controlling interests		6,634	69,129
		858,739	908,271
Basic and diluted earnings per share (expressed in RMB per share)	5	0.5137	0.5059
Dividends	6	381,480	364,894

Consolidated statement of comprehensive income
For the year ended 31 December 2014
(All amounts are in Renminbi thousand unless otherwise stated)

	Year ended 31 December	
	2014	**2013**
Profit for the year	858,739	908,271
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Change in value of available-for-sale financial assets	46,445	—
Total comprehensive income for the year	905,184	908,271
Attributable to:		
Owners of the Company	898,550	839,142
Non-controlling interests	6,634	69,129
	905,184	908,271

Consolidated balance sheet
As at 31 December 2014
(All amounts in Renminbi thousand unless otherwise stated)

	As at 31 December	
	2014	**2013**
ASSETS		
Non-current assets		
Concession intangible assets	9,222,294	9,034,524
Land use rights	12,407	9,958
Property, plant and equipment	888,336	955,257
Investment properties	372,172	378,009
Intangible assets	1,698	2,490
Investments in an associate	72,187	55,973
Deferred income tax assets	28,910	—
Available-for-sale financial assets	276,927	515,000
	10,874,931	10,951,211
Current assets		
Inventories	2,617	3,824
Trade and other receivables	193,300	440,169
Restricted cash	97,000	358,403
Cash and cash equivalents	462,945	545,670
	755,862	1,348,066
Total assets	11,630,793	12,299,277

	As at 31 December	
	2014	**2013**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Ordinary share capital	1,658,610	1,658,610
Share premium	1,415,593	1,415,593
Other reserves	161,060	115,991
Retained earnings		
– Proposed final dividend	381,480	364,894
– Others	4,067,709	3,595,708
	7,684,452	7,150,796
Non-controlling interests	847,613	834,213
Total equity	8,532,065	7,985,009

Consolidated balance sheet (continued)
As at 31 December 2014
(All amounts in Renminbi thousand unless otherwise stated)

	As at 31 December	
	2014	**2013**
LIABILITIES		
Non-current liabilities		
Long-term payables	749,815	644,328
Borrowings	851,438	577,050
Deferred income tax liabilities	191,736	131,827
Deferred income	37,279	39,453
	1,830,268	1,392,658
Current liabilities		
Trade and other payables	716,655	692,036
Current income tax liabilities	96,229	48,809
Provision	13,063	17,638
Borrowings	442,513	2,163,127
	1,268,460	2,921,610
Total liabilities	3,098,728	4,314,268
Total equity and liabilities	11,630,793	12,299,277
Net current liabilities	(512,598)	(1,573,544)
Total assets less current liabilities	10,362,333	9,377,667

Consolidated statement of changes in equity
For the year ended 31 December 2014
(All amounts in Renminbi thousand unless otherwise stated)

	Attributable to owners of the Company					
	Ordinary share capital (Note 18)	**Share premium** (Note 18)	**Other reserves** (Note 19)	**Retained earnings**	**Non-controlling Interests**	**Total**
Balance at 1January 2013	1,658,610	1,415,593	117,367	3,451,806	777,111	7,420,487
Comprehensive income						
Profit for the year ended 31 December 2013	—	—	—	839,142	69,129	908,271
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income	—	—	—	839,142	69,129	908,271
Others	—	—	(1,376)	1,376	—	—
Transactions with owners						
Dividends relating to 2012	—	—	—	(331,722)	—	(331,722)
Dividends paid to non-controlling interests of subsidiaries relating to 2012	—	—	—	—	(73,588)	(73,588)
Difference between the carrying amount and undiscounted amount of interest free loan received from non-controlling interests, net of tax	—	—	—	—	61,561	61,561
Balance at 31 December 2013	1,658,610	1,415,593	115,991	3,960,602	834,213	7,985,009

	Attributable to owners of the Company					
	Ordinary share capital (Note 18)	Share premium (Note 18)	Other reserves (Note 19)	Retained earnings	Non-controlling Interests	Total
Comprehensive income						
Profit for the year ended 31 December 2014	—	—	—	852,105	6,634	858,739
Other comprehensive income						
Fair value gains on AFS financial assets, net of tax	—	—	46,445	—	—	46,445
Total comprehensive income	—	—	46,445	852,105	6,634	905,184
Others	—	—	(1,376)	1,376	—	—
Transactions with owners						
Dividends relating to 2013	—	—	—	(364,894)	—	(364,894)
Dividends paid to non-controlling interests of subsidiaries relating to 2013	—	—	—	—	(92,175)	(92,175)
Difference between the carrying amount and undiscounted amount of interest free loan received from non-controlling interests, net of tax	—	—	—	—	98,941	98,941
Balance at 31 December 2014	1,658,610	1,415,593	161,060	4,449,189	847,613	8,532,065

Consolidated cash flow statement

For the year ended 31 December 2014

(All amounts in Renminbi thousand unless otherwise stated)

	Note	Year ended 31 December 2014	2013
Cash flows from operating activities			
Cash generated from operations	8	1,235,927	716,912
Interest paid		(162,402)	(136,224)
Income tax paid		(270,934)	(279,069)
Net cash generated from operating activities		802,591	301,619
Cash flows from investing activities			
Purchase of property, plant and equipment		(50,507)	(49,221)
Purchase of intangible assets		(107)	(3,466)
Net decrease/(increase) in restricted cash		261,403	(358,403)
Net decrease/(increase) in purchasing financial products		130,000	(130,000)
Proceeds from sales of available-for-sale financial assets		339,000	—
Proceeds from sales of property, plant and equipment		522	56
Interest received		40,743	7,531
Dividend received from an associate		106,800	38,999
Net cash generated from/(used in) investing activities		827,854	(494,504)

	Note	Year ended 31 December 2014	2013
Cash flows from financing activities			
Proceeds from bank borrowings and long-term payables		959,524	603,075
Repayments of bank borrowings		(173,541)	(196,950)
Repayments of corporate bonds		(2,000,000)	—
Repayments of long-term payables to non-controlling interests		(34,826)	(31,078)
Dividends paid to the non-controlling interests		(99,133)	(66,629)
Dividends paid to the Company's shareholders		(364,894)	(331,722)
Net cash used in financing activities		(1,712,870)	(23,304)
Net decrease in cash and cash equivalents		(82,425)	(216,189)
Cash and cash equivalents at beginning of the year		545,670	762,838
Exchange losses on cash and cash equivalents		(300)	(979)
Cash and cash equivalents at end of the year		462,945	545,670

Notes:

1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

As at 31 December 2014, net current liabilities of the Group amounted to RMB 512,598 thousand mainly resulted from construction payables for Ningxuanhang Expressway Anhui Section. As at 31 December 2014, the Group has unused bank borrowing facilities of RMB 5,971,310 thousand. The management of the Group estimates that the Group has sufficient unused bank borrowing facilities and operating cash flow to repay all the current liabilities when they are due. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Changes in accounting policies and disclosures

(a) New amendments and interpretation of HKFRS effective in 2014 adopted by the Group

The following amendments have been adopted by the Group for the first time for the financial year beginning on 1 January 2014:

Amendment to HKAS 32 "Financial instruments: Presentation" on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment has no financial impact on the Group after the assessment by the Company's management.

Amendments to HKAS 36 "Impairment of Assets" on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in HKAS 36 by the issue of HKFRS 13. The amendment has no financial impact on the Group after the assessment by the Company's management.

The adoption of the above new amendments and interpretation starting from 1 January 2014 did not give rise to any significant impact on the Group's results of operations and financial position for the year ended 31 December 2014.

(b) ***New amendments and interpretation of HKFRS effective in 2014 but not relevant to the Group***

HKFRS 10, 12 and HKAS 27 (Amendments) on consolidation for investment entities. These amendments mean that many funds and similar entities will be exempt from consolidating most of the subsidiaries and will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made HKFRS 12 to introduce disclosures that an investment entity needs to make.

HKFRS 39 (Amendments) "Financial Instruments: Recognition and Measurement" on novation of derivatives. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

HK(IFRIC) 21 "Levies" sets out the accounting for an obligation to pay a levy if that liability is within the scope of HKAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to the payment of a levy and when a liability should be recognised.

(c) ***New standards and amendments of HKFRS issued but are not effective in 2014 and not early adopted by the Group***

Some amendments included in Annual Improvements 2012 and 2013 are effective for the annual period beginning on or after 1 July 2014, including:

HKAS 24 (Amendments) "Related Party Disclosures"

HKAS 37 (Amendment) "Provisions, Contingent Liabilities and Contingent Assets"

HKAS 39 (Amendment) "Financial Instruments – Recognition and Measurement"

HKAS 40 "Investment Property"

HKFRS 3 (Amendments) "Business Combinations"

HKFRS 8 (Amendments) "Operating Segments"

HKFRS 9 (Amendment) "Financial Instruments"

HKFRS 13 (Amendment) "Fair Value Measurement"

HKAS16 (Amendments) "Property, Plant and Equipment" and HKAS38 (Amendments) "Intangible Assets"

HKAS 16 and HKAS 38 (Amendments) on clarification of acceptable methods of depreciation and amortization, effective for the accounting period beginning on or after 1 January 2016.

HKAS 16 and HKAS 41 (Amendments) on bearer plants, effective for the accounting period beginning on or after 1 January 2016.

HKAS 27 (Amendments) on the equity method, effective for the accounting period beginning on or after 1 January 2016.

HKFRS 10 and HKAS 28 (Amendments) on the sale or contribution of assets between an investor and its associate or joint venture, effective for the accounting period beginning on or after 1 January 2016.

HKFRS 11 (Amendments) on accounting for acquisitions of interests in joint operation, effective for the accounting period beginning on or after 1 January 2016.

HKFRS 14 "Regulatory Deferral Accounts", effective for the accounting period beginning on or after 1 January 2016.

Some amendments included in Annual Improvements 2014 which are effective for the accounting period on or after 1 January 2016, including:

HKAS 19 (Amendments) "Employee Benefits"

HKAS 34 (Amendments) "Interim Financial Reporting"

HKFRS 5 (Amendments) "Non-current Assets Held for Sale and Discontinued Operations"

HKFRS 7 (Amendments) "Financial Instruments: Disclosures"

HKAS 15 "Revenue from Contracts with Customers", effective for the accounting period beginning on or after 1 January 2017.

HKFRS 9 "Financial Instruments", effective for the accounting period beginning on or after 1 January 2018.

The Group is yet to assess the full impact of these new standards and amendments and intents to adopt them no later than the respective effective dates of these new standards and amendments.

(d) New Hong Kong Companies Ordinance (Cap.622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 (i.e. year beginning 1 January 2015) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

2 Revenue - Group

	Year ended 31 December	
	2014	**2013**
Toll income from toll roads operation	2,223,793	2,188,382
Revenue from construction or upgrade work under Service Concessions	697,019	1,073,713
Rental income	51,796	48,593
- from toll gas stations (a)	25,890	25,890
- from toll road service sectors (b)	10,080	9,000
- from other investment properties	15,826	13,703
Service income from roads emergency assistance	20,735	10,052
Service income from management of toll roads	13,437	23,730
Interest income from pawn loans to customers	28,429	57,314
Others	1,380	2,033
Total	3,036,589	3,403,817

(a) Pursuant to a lease agreement with Anhui Expressway Petrochemical Co., Ltd. ("安徽省高速石化有限公司", "AEPC"), the Company's gas stations were leased to AEPC with annual rental fee of RMB 25,890 thousand. The lease period was from 1 April 2012 to 31 March 2015.

(b) Pursuant to a lease agreement with Anhui Yida Toll Road Service Sector Management Co., Ltd. ("YTMC", "安徽省驛達高速公路服務區經營管理有限公司"), the Company's toll road service sectors were leased to YTMC with annual rental fee of RMB 8,280 thousand. The lease period was from 1 January 2012 to 31 December 2013.

Pursuant to a lease agreement with YTMC, Xuancheng Guangci Expressway Co., Ltd. ("宣城市廣祠高速公路有限責任公司", "Guangci")'s toll road service sectors were leased to YTMC with annual rental fee of RMB 1,800 thousand. The lease period was from 1 August 2009 to 20 July 2029.

3 Finance costs - Group

	Year ended 31 December	
	2014	**2013**
Interest expense on:		
- bank borrowings	38,062	17,683
- corporate bonds	106,271	105,954
- interest paid	100,000	100,000
- amortisation of corporate bonds	6,271	5,954
- amortisation of long-term payables	28,356	21,191
	172,689	144,828

4 Taxation - Group

The amount of taxation charged to the consolidated income statement represents:

	Year ended 31 December	
	2014	**2013**
Current taxation - CIT (a)	318,354	295,408
Deferred taxation credited to the consolidated income statement	(17,464)	(7,013)
	300,890	288,395

(a) Hong Kong profits tax and the PRC Corporate Income Tax

There was no Hong Kong profits tax liabilities as the Group has no assessable income which is subject to Hong Kong profits tax.

The Company and its subsidiaries, associated companies determine and pay the PRC Corporate Income Tax ("CIT") in accordance with the CIT Law as approved by the National People's Congress on 16 March 2007. Under the CIT Law, the CIT rate applicable to the Company and its subsidiaries, associated companies is 25%.

(b) Withholding tax ("WHT") for dividend paid to foreign investors

Pursuant to Cai Shui [2008] Circular 1 jointly issued by the Ministry of Finance and the State Administration of Taxation, where the Company declares dividend in or after 2008 and beyond out of the cumulative retained earnings as of 31 December 2007 (i.e. 2007 retained earnings), such dividends earned by the foreign shareholders are exempted from WHT; For dividend which arises from the Company's profit earned after 1 January 2008, WHT is levied on the foreign institute shareholders. Pursuant to the new CIT law and the detailed implementation regulations, foreign shareholders are subject to a 10% WHT for the dividend repatriated by the Company starting from 1 January 2008. For certain treaty jurisdictions such as Hong Kong which has signed tax treaties with the PRC, the WHT rate is 5%. The Company has fulfilled the obligation of WHT for dividends related to 2013 which was paid to foreign institute shareholders until 31 December 2014.

(c) The tax on the Group's profit before tax differs from the theoretical amount that would arise using the CIT rate for companies in the PRC as follows:

	Year ended 31 December	
	2014	**2013**
Profit before income tax	1,159,629	1,196,666
CIT rate	25%	25%
Tax calculated at the CIT rate	289,907	299,167
Expenses not deductible for tax purpose	411	314
Income not subject to income tax	(22,003)	(22,164)
Tax adjustment made after tax filing by tax bureau	30	68
Deductible tax losses not recognised as deferred tax assets during the year	32,545	11,010
Tax Charges	300,890	288,395

5 Earnings per share

Basic earnings per share is calculated by dividing the consolidated profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year. The Company has no dilutive potential shares.

	Year ended 31 December	
	2014	**2013**
Profit attributable to equity holders of the Company	852,105	839,142
Weighted average number of ordinary shares in issue (thousand)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.5137	0.5059

6 Dividends

The dividends paid during the years ended 31 December 2014 and 2013 were RMB 364,894 thousand (RMB 0.22 per share) and RMB 331,722 thousand (RMB 0.20 per share) respectively. A final dividend in respect of 2014 of RMB 0.23 per share, amounting to a total dividend of RMB 381,480 thousand will be proposed at the Annual General Meeting in May 2015. These consolidated financial statements do not reflect this dividend payable.

	Year ended 31 December	
	2014	**2013**
Proposed final dividend of RMB 0.23 (2013: RMB 0.22) per ordinary share	381,480	364,894

7 Appropriation

(a) Statutory Surplus Reserve Fund

In accordance with the PRC Company Law, the Company and its subsidiaries shall appropriate 10% of their annual statutory net income (after offsetting any prior years' losses) to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of a company's share capital or registered capital, any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares/paid-in capital. However, such statutory surplus reserve fund must be maintained at a minimum of 25% of share capital/registered capital after such utilisation.

The balance of statutory surplus reserve has reached 50% of the Company's share capital. As a result, the Company did not appropriate statutory surplus reserve fund in 2014 in accordance with the PRC Company Law.

(b) Dividends distribution

According to the Articles of Association of the Company, the dividends distribution by the Company to its shareholders is based on the lower of the retained earnings in the Company's statutory financial statements and in the Company's financial statements prepared in according with HKFRS.

8 Notes to consolidated cash flow statement

Reconciliation from profit before income tax to net cash inflow from operating activities:

	Year ended 31 December	
	2013	**2012**
Profit before income tax	1,159,629	1,196,666
Adjustments for:		
Settlement of revenue in form of concession intangible assets	(697,019)	(1,056,262)
Amortisation of concession intangible assets	503,795	490,958
Depreciation of property, plant and equipment	105,037	87,628
Depreciation of investment properties	17,671	16,963
Amortisation of land use rights	800	686
Amortisation of intangible assets	899	3,502
Impairment for pawn loans to customers	58,015	11,248
Loss on disposal of property, plant and equipment	12	209
Loss on disposal of investment property	23	—
Share of profit of an associate	(16,214)	(14,657)
Dividend income	(71,800)	(73,999)
Gain from disposal of available-for-sale financial assets	(39,000)	—
Interest income	(38,753)	(7,531)
Interest expenses	172,689	144,828
Operating profit before working capital changes	1,155,784	800,239
Decrease/(increase) in inventories	1,207	(270)
(Decrease)/increase in provision	(4,575)	10,812
Decrease/(increase) in trade and other receivables	81,869	(28,564)
Increase/(decrease) in trade and other payables	1,642	(65,305)
Cash generated from operating activities	1,235,927	716,912

Non-cash transaction

Non-cash transaction refers to the settlement of revenue in form of concession intangible assets.

9 Commitments - Group

Capital expenditure at the balance sheet date but not yet incurred is as follows:

	Year ended 31 December	
	2014	**2013**
Concession intangible assets	1,159,629	1,196,666
- Contracted but not provided for	944,971	582,499

II. Final dividend and close of share transfer

The Board proposes to declare a final dividend of RMB 0.23 per share (taxation included) for the year ended 31 December 2014 to all shareholders.

The final dividend is subject to the approval of shareholders at the 2014 Annual General Meeting and will be distributed on or before 22 July, 2015.

III. Business review

(The figures below were computed in accordance with the PRC Accounting Standards unless otherwise stated.)

(I) Results summary (In accordance with the PRC Accounting Standards)

During the reporting period, the Group achieved an operating income of RMB2,339,570 thousand (2013: RMB 2,330,104 thousand), representing an increase of 0.41% over the corresponding period of the previous year; total profit of RMB1,171,532 thousand (2013: RMB1,208,587 thousand), representing a decrease of 3.07% over the corresponding period of the previous year; net profit attributable to shareholders of the Company of RMB 860,866 thousand (2013: RMB 847,910 thousand), representing an increase of 1.53% over the corresponding period of the previous year; basic earnings per share of RMB0.5190 (2013: RMB 0.5112), representing an increase of 1.53% over the corresponding period of the previous year. The increase in net profit was mainly due to the increase in the operating income of the Group and the investment income of RMB 3900 ten-thousand arising from the transfer of 0.3 billion shares in Xin'an Financial.

(II) Operations of toll highway

The details of the operation of toll highway in 2014 are as follows:

		Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
Items	**Interests**	**2014**	**2013**	**Change(%)**	**2014**	**2013**	**Change(%)**
Hening Expressway	100%	23,508	23,639	-0.55%	931,329	1,032,605	-9.81%
New Tianchang Section of National Trunk 205	100%	4,631	5,222	-11.32%	47,602	52,621	-9.54%
Gaojie Expressway	100%	10,200	8,513	19.82%	444,561	333,888	33.15%
Xuanguang Expressway	55.47%	17,654	16,076	9.82%	408,739	408,943	-0.05%
Lianhuo Expressway Anhui Section	100%	10,493	9,301	12.82%	212,800	201,868	5.42%
Ninghuai Expressway Tianchang Section	100%	27,427	24,543	11.75%	98,141	90,208	8.79%
Guangci Expressway	55.47%	16,675	15,275	9.17%	65,034	66,228	-1.80%
Xuanning Expressway	51%	1,655	660	150.76%	15,587	2,021	671.25%

Items	Interests	Ratio of passenger vehicles to goods vehicles 2014	2013	Toll income per vehicle (RMB) 2014	2013	Change(%)
Hening Expressway	100%	70:30	67:33	19,042	21,112	-9.80
New Tianchang Section of National Trunk 205	100%	35:65	35:65	4,347	4,806	-9.55
Gaojie Expressway	100%	59:41	63:37	11,073	8,316	33.15
Xuanguang Expressway	55.47%	72:28	69:31	13,331	13,338	-0.05
Lianhuo Expressway Anhui Section	100%	64:36	61:39	10,797	10,242	5.42
Ninghuai Expressway Tianchang Section	100%	76:24	75:25	19,206	17,638	8.89
Guangci Expressway	55.47%	75:25	73:27	12,727	12,960	-1.80
Xuanning Expressway	51%	84:16	83:17	929	488	90.37

Notes:

1. Xuanning Expressway was officially open to traffic on 8 September 2013.

2. The traffic volume data above do not include the data on small passenger vehicles insofar as the same were free from toll on holidays.

The principal businesses are as follows in terms of industries and products:

Principal businesses in terms of industries

In terms of industries	Operating income (RMB'000)	Operating costs (RMB'000)	Gross profit rate (%)	Change in operating income (compared with the figure of the previous year) (%)	Change in operating costs (compared with the figure of the previous year) (%)	Change in Operating profit rate (compared with the figure of the previous year) (%)
Toll highway business	2,257,963,184.99	895,507,791.94	60.34	1.60	4.44	A decrease of 2.05 percent point
Pawn business	28,428,599	0	100	-50.40	NA	NA

Principal businesses in terms of products

In terms of products	Operating income (RMB'000)	Operating costs (RMB'000)	Gross profit rate (%)	Change in operating income (compared with the figure of the previous year) (%)	Change in operating costs (compared with the figure of the previous year) (%)	Change in Operating profit rate (compared with the figure of the previous year) (%)
Hening Expressway	949,013,605.01	336,252,849.16	64.57	-9.58	-4.33	A decrease of 1.94 percent point
New Tianchang Section of National Trunk 205	47,601,930.00	38,541,168.53	19.03	-9.54	6.82	A decrease of 12.40 percent point
Gaojie Expressway	456,311,008.16	158,046,654.05	65.36	31.81	-4.15	An increase of 12.99 percent point
Xuanguang Expressway	215,110,546.97	88,445,652.94	58.84	5.37	-6.49	An increase of 5.17 percent point
Lianhuo Expressway Anhui Section	100,566,421.79	34,087,793.31	66.10	8.62	9.41	A decrease of 0.25 percent point
Ninghuai Expressway Tianchang Section	408,738,914.94	138,533,980.01	66.11	-0.05	3.99	A decrease of 1.31 percent point
Guangci Expressway	65,034,085.85	19,360,906.52	70.23	-1.80	0.15	An increase of 0.58 ercent point
Xuanning Expressway	15,586,672.27	82,238,787.43	427.62	671.40	208.22	An increase of 1647.86 percent point
Wantong Pawnshop	28,428,599	0	100	-50.40	NA	NA
Total	2,286,391,783.99	895,507,791.94	60.83	0.30	4.44	A decrease of 1.56 percent point

During the reporting period, under the influence of diversion arising from the opening to traffic of Ma'anshan Yangtze River Bridge and the expressway from Ma'anshan to Chaohu, the converted average daily traffic volume of Hening expressway decreased by 0.55% but, as a result of the decrease in the traffic volume of goods vehicles by 9.73%, the toll revenue of Hening expressway decreased by 9.81% compared with that of the corresponding period of last year.

Since the opening of Jiujiang Second Bridge to traffic on 28 October 2013, the traffic volume of Gaojie expressway has begun to rise quickly. The toll revenue achieved an increase of 44.62% in the first ten months of 2014 compared with that of the corresponding period of last year. During the reporting period, the converted average daily traffic volumes for entire journey achieved an increase of 19.82%. Because of the rise of the volume of goods vehicles, the toll revenue achieved an increase of 33.15% compared with that of the corresponding period of last year.

During the reporting period, the growth in the traffic volume and toll revenue of Ninghuai Expressway Tianchang Section was mainly caused by the opening of the Nanjing Yangtze River Fourth Bridge.

During the reporting period, the traffic volume and toll revenue of New Tianchang Section of National Trunk 205 decreasedslightly, with the main reason being the restriction on the goods vehicles from other places from taking Nanjing Yangtze River Second Bridge.

During the reporting period, the traffic volume of Xuanguang Expressway and Guangci Expressway achieved a growth of 9.82% and 9.17% compared with that of the corresponding period of last year. However, due to the impact of the restriction on vehicles beyond the limit, the volume of goods vehicles decreased, which resulted in decrease in toll revenue by 0.05% and 1.81% respectively compared with that of the corresponding period of last year.

Xuanning Expressway Sunbu-Ningguo Section 36.37km became officially open to traffic on September 8, 2013. On December 31, 2013, XuanGuang interchange bridge of TongNanxuan Expressway became officially open to traffic; the connection of the high way in respect of Xuancheng-Sunbu Section 9.59km (with Xuancheng being the starting point of Xuanning Expressway) was realized and the whole Xuanning Expressway became open to traffic. The traffic volume and toll income showed a trend of rapid growth.

(III) Analysis of principal subsidiaries and companies in which the Company is interested

(Unit: RMB'000)

			As at 31 December 2014		2014		
Name of company	Interests held by the Group	Registered capital	Total assets	Net assets	Operating revenue	Net profit	Principal business
Xuanguang Company	55.47%	111,760	1,151,037	593,802	413,387	159,199	Construction, management and operation of Xuanguang Expressway
NingXuanhang Company	51%	300,000	3,756,958	860,994	16,534	-143,246	Construction, design, supervision, toll collection, maintenance, management and technical consultation of highways and advertising service
Guangci Expressway	55.47%	56,800	258,630	213,372	66,834	30,525	Construction, management and operation of Guangci Expressway
Expressway Media	38%	50,000	271,007	189,965	124,924	42,666	Design, making, publication of and agency for domestic advertisements
Xin'an Financial	6.67%	3,000,000	7,079,569	4,137,145	1,219,716	758,123	Financial Investment, equity investment, management consulting
Wantong Pawn Company	71.43%	210,000	193,764	189,363	28,429	-26,241	Pledge and pawn of movables business, pledge and pawn of property rights business, mortgage and pawn of land business
Wantong MicroCredit Company	10%	150,000	224,822	157,921	38,938	1,715	Making small loans, small size enterprises management consulting and financial advisory

Note 1: All of the companies above were incorporated in China.

In June 2012, the Company and Huatai group jointly set up Hefei Wantong Pawn Co., Ltd, in which the Company injected capital in the sum of RMB150 million, accounting for 71.43% of its registered capital; Huatai group invested RMB60 million, accounting for 28.57% of its registered capital.

During the reporting period, Wantong Pawn Company achieved revenue of RMB28,428.6 thousand, representing a decrease by 50.40% compared with that of the corresponding period of last year with the main reason for the decrease being that the impact of the project that fell through resulted in a reduction in income by RMB2888.58 ten thousand; provision for loan losses of 58.0145 million yuan, increasing by 415.75% from the previous year. The main reason is that, as the amount of pawn money of the project that fell through was enormous, the amount of the relevant provision made in accordance with the company's Interim Measures for Risk Classification in respect of Pawn Money is also enormous. Wantong Pawn Company had a net loss of RMB 2,624.13 ten-thousand.

The steps that the company will take are to actively urge the pawn company to strengthen its control of disposal of bad debts and risk in the following manner. Firstly, it will strengthen debt collection It will improve the communication and coordination with the police, courts and arbitration commission and other departments to actively promote the progress in dealing with bad debts, maximizing its effort to recover losses. Secondly, it will strengthen risk control and run its business in a prudent and regulated manner. Following the concept of "short and decentralized", it will reduce the amount of single loans appropriately and carefully. On this basis, it will further refine the various systems and operation processes, strengthen project monitoring, diligently conduct review to identify potential risksand preparing risk management plans timely. Thirdly, it will actively maintain and expand its high quality clientele, strengthen its cooperation with guarantee companies and other pawnshops, adjust and optimize pawn structure, and improve the efficiency in the use of funds.

Anhui Xin'an Financial Group Co., Ltd., was founded on 22 July 2011, with a registered capital of RMB3 billion. It mainly engaged in businesses such as financial investment, equity investment, management consultation. It adopts a business model of participating in different industry segments under the control of the group, which maximizes the advantages of having group of companies being separate legal entities which co-operate with each other in the running of business but bear their own profits and losses separately with the benefit of reduction in risks.

As at the end of the reporting period, Anhui Xin'an Financial Group consists of 12 companies, which are Xin'an Loans Financing Service Co., LTD., Xin'an Financing Credit Investment Management Co., LTD., Anhui Xin'an Asset Management Co., LTD., Anhui Xin'an Hongye Bonds Management Co., LTD., Anhui Xin'an Financing Lease Co., LTD., Hefei Xin'an Microcredit Co., LTD., Anhui Nanxiang Pawn Co., LTD., Anhui Xin 'an Pawn Co., LTD., Anhui Xin'an Information Technology Co., LTD., Anhui Xin'an Jingding Investment Management Co., LTD., Anhui Xin'an Financing Loans Investment Mangement Co., LTD and Anhui Xin'an Financing Guarantee Co., LTD.

According to the audited results, as at the end of the reporting period, Xin'an Financial Group had a total assets of RMB7.080 billion, net assets of RMB4.137 billion, asset-liability ratio of 41.56%; aggregate operating income of RMB1.220 billion, cost and expense of RMB380 million, net profit of RMB758 million, in which net profit of RMB686 million was attributable to the shareholders of Xinan Financial Group, and earnings per share of RMB0.2288.

(IV) Principal customers and suppliers

As the principal customers of the Group are users of toll highways and it does not have major purchases in the ordinary course of businesses, there is no principal customer or supplier in relation to which further disclosure has to be made.

(V) Project Investment

1. Analysis of external equity investment

(Unit: RMB'000)

The amount of the Company's equity investment during the reporting period	-300,000,000
Increase/decrease of the amount of investment in 2014	-300,000,000
The amount of equity investment of the corresponding period last year	0
Change in the amount of investment during the reporting period (%)	-100

Shareholding in financial companies which are not listed

During the reporting period, the Company did not hold any shares in financial companies which are not listed.

2. *Non-fund raising projects*

(Unit: RMB'000,000,000)

Name of project	Project amount	Progress of the project	Amount of investment this year	Aggregate amount of investment	Revenue from the project
Ningxuanhang Expressway Ningguo-Qianqiu Section	29.28	The construction began in March 2011.	4	13.58	under construction
Ningxuanhang Expressway Liqiao-Xuancheng Section	21.33	Construction is expected to begin in January 2015.	1.47	1.47	under construction
Total	50.61	/	5.47	15.05	/

Remark on the non-fund raising projects

Ningxuanhang Expressway Ningguo-Qianqiu Section is about 45 km in length, with the total investment of the project being RMB2.928 billion.

Ningxuanhang Expressway Liqiao-Xuancheng Section is about 31 km in length, with the total investment of the project being RMB2.133 billion.

3. *Use of funds raised*

During the reporting period, the Company did not raise any fund or make use of any fund previously raised.

IV Major Shareholders

As at 31 December 2014, the total number of shareholders of the Company was 46,491, of which 46,408 were holders of A shares and 83 were holders of H shares.

As at 31 December 2014, so far is known to, or can be ascertained after reasonable enquiry by the Directors, the persons (except directors, supervisors and chief executives of the Company) who were, directly or indirectly, interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of section 336 of Part XV of the Securities of Futures Ordinance are as follows.

Names	Number of shares at end of period	Increase/ decrease during the reporting period	Class of shares	Percentage of total share capital	Pledged or locked-up
Anhui Expressway Holding Group Company Limited	524,644,220	687,100	State-owned shares	31.63%	No
China Merchants Huajian Highway Investment Co.,Ltd.	404,191,501	47,278,343	State-owned Legal person shares	24.37%	No

Names	Number of shares at end of period	Increase/ decrease during the reporting period	Type of shares	Percentage of H shares	Pledged or locked-up
China Merchants Huajian Highway Investment Co.,Ltd.	44,650,000 (long position ("L"))	+44,650,000	H shares	9.06%	Not known
HSBC Holdings plc	98,525,221(L) 99,825,933 (short position (S))	+98,525,221 +99,825,933	H shares	7.58% 7.68%	Not known
Colonial First State Group Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Holding Company (No.2) Pty Limited	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Holding Company Pty Ltd.	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
First State Investment Managers (Asia) Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
First State Investments (Bermuda) Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
The Colonial Mutual Life Assurance Society Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
First State (Hong Kong) LLC	32,166,000(L)	Not available	H shares	6.52%	Not known
First State Investments (Hong Kong) Limited	30,712,000(L)	Not available	H shares	6.23%	Not known
First State Investments (Singapore)	30,608,000(L)	Not available	H shares	6.21%	Not known
First State Investments Holdings (Singapore) Limited	30,608,000(L)	Not available	H shares	6.21%	Not known
JP Morgan Chase & Co.	41,734,833 (L) 1,120,000(S) 38,903,333 (shares that may be lent)	-48,019 +1,120,000 -2,521,467	H shares	8.46% 0.22% 7.89%	Not known

Save as disclosed in this announcement, the register maintained in accordance with Part XV, Section 336 of the Securities and Futures Ordinance on 31 December 2014 shows that the Company has never received any information about the interests or short positions in the shares and underlying shares of the Company on 31 December 2014.

V Material litigation, arbitration and matters commonly enquired by the media

The Company did not have any material litigation, arbitration or matters commonly enquired by the media during the reporting period.

VI Guarantee

The Company provided a guarantee of RMB500 million for the Company's subsidiary Ningxuanhang Company, which was approved at the 18th meeting of the 5th Board held on 18 August 2010. As of the end of the reporting period, the balance of outstanding guarantees provided by the Company was RMB179 million.

(RMB' 000,000)

Guarantees provided by the Company for subsidiaries it controlled	
Total amount of guarantees provided for the subsidiaries by the Company during the reporting period	0
Total balance of guarantees provided for the subsidiaries as at the end of the reporting period	179
Total amount of guarantees provided by the Company (including guarantees provided for subsidiaries it controlled)	
Total guarantee amount	179
Total guarantee amount as a percentage of net asset value (%)	2.26%

VII Entrusted Finance

The company had no items of entrusted finance in the year.

VIII Entrusted Loans

Unit: RMB

Names of Borrowers	Amount of entrusted loan	Loan Period	Lending Rates	Use of the loan	Securities or Guarantor	whether it has fallen due	Whether it is a connected transaction	Whether there is roll-over	Whether there is relevant litigation	Source of funding and involvement of fund-raising	Association	Expected revenue	Whether the Investment results in a profit or loss
Ningxuanhang Company	10,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	6,220,000	profit
Ningxuanhang Company	50,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	31,020,000	profit
Ningxuanhang Company	25,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	15,390,000	profit
Ningxuanhang Company	16,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	9,952,000	profit
Ningxuanhang Company	7,820,000	10 years	6.22%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	4,864,000	profit
Ningxuanhang Company	22,670,000	10 years	6.22%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	14,100,700	profit
Ningxuanhang Company	41,140,000	10 years	6.22%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	25,589,100	profit
Ningxuanhang Company	45,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	27,990,000	profit
Ningxuanhang Company	18,750,000	10 years	6.22%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	11,662,500	profit
Ningxuanhang Company	33,660,000	10 years	6.55%	construction of Ningxuanhang Expressway	None	No	No	No	No	own capital	owned subsidiary	22,047,300	profit

Details of the entrusted loans

According to the investment plan of Ningxuanhang Company and having obtained approval at the second meeting of the 7th Board held on 22 August 2014, in respect of the Company's share in the difference between the total amount of investment and the total amount of project capital, the Company entrusted China Everbright Bank Co., LTD. Hefei branch in the coming year to provide Ningxuanhang Company loans up to RMB 257 million, which is used to pay for Ningxuanhang Expressway construction project. The entrusted loan capital is funded by the company's own capital.

During the reporting period, the Company provided an entrusted loan capital of RMB185,040 thousand with Ningxuanhang Company the aggregate amount of entrusted loans provided to which was RMB270,040 thousand.

IX Staff Insurance and Welfare Protecting

The Company has been adhering to the concept of "People foremost". It values its staff 's vital interests and protects its staff's legal rights and strictly implements the social security laws and regulations of the State and regions. The Company has procured policies of old-age insurance, basic medical insurance, unemployment insurance, job-related injury insurance and child-bearing insurance for its staff and paid the premium of the insurance policies above in full. The Company paid the premium of various social insurance policies in the sum of RMB25,300 thousand in 2014. At the same time, the Company has procured commercial insurance policies such as insurance policies for injury by accident for its staff.

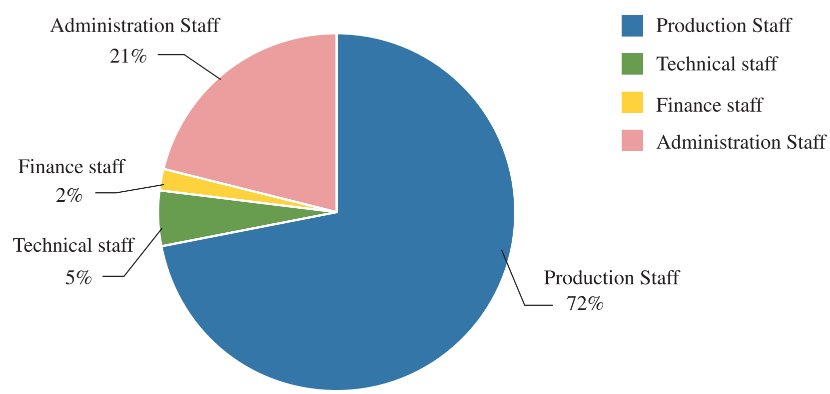
In 2014, the Company provided housing subsidy fund in the sum of RMB14,890 thousand for its staff.

In addition to the above social security plans, the Company established an enterprise annuity plan in 2008, which protects the benefits of staff and strengthens the cohesion, unity and competitiveness of the Company. In 2008, the Company established the enterprise annuity plan taking into account the practical conditions of the Company in accordance with regulations such as the relevant requirements of the "Enterprise Annuity Tentative Procedures" for the purpose of enhancing the level of elderly benefit for its staff, strengthening the cohesion and unity of the Company and, facilitating sustainable growth of the Company. In 2014, the enterprise annuity expenses were RMB4,920 thousand in total.

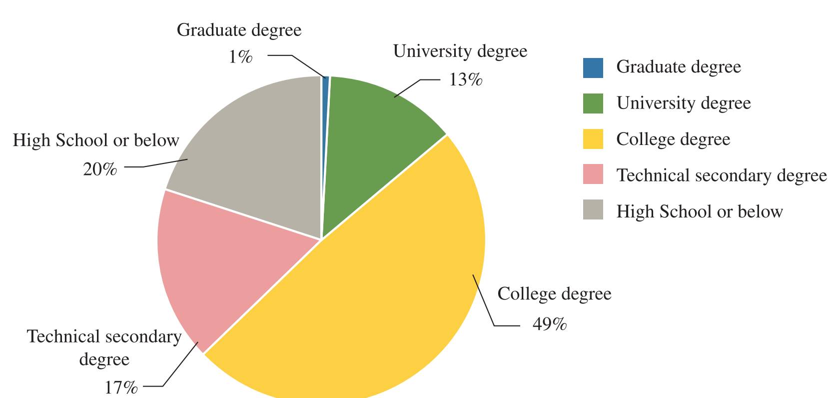
Training plan

The company has always valued staff training. At the beginning of each year, annual training plans and key training targets are established and set according to the training demand. Various training systems are also completed, so as to improve the educational and training level. During the reporting period, the Company and various departments have carried out operational management, engineering techniques, safety management, maintenance management, information technology and financial management as well as other training. Regarding the general management, to highlight the focus of training and to focus on the solutions for the common problems faced by an enterprise when carrying out reforms and development, the Company held the training course for leading cadres on capital operation. In respect of online learning, the Company focuses the encouragement on the employees to participate in self-learning to promote E - learning. It upgraded the learning system and put forward new functions such as mobile phone and interactive functions. All of these measures diversify the platform for learning and exchange.

The formation graph of Employees' specialty composition



The statistical graph of Employees' Educatioon



X Shareholdings of directors, supervisors and senior management

As at 31 December 2014, none of the Directors, supervisors or their respective associates of the Company had or was deemed to have any interests or short positions in any shares, or underlying shares or debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests which he was taken or deemed to have under such provisions of the Securities and Futures Ordinance or which were required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein or which were required to be disclosed herein pursuant to the Model Code for Securities Transactions by Directors of Listed Companies and the Takeovers Code.

XI Purchase, Sale and Redemption of the Company's Listed Securities

During the reporting period, the Company, its subsidiaries and associated companies did not repurchase, sell or redeem any of its listed securities of the Company.

XII Corporate Governance Code

The board of directors confirmed that, save with one exception, the Company had been in compliance with the Corporate Governance Code during the period under review and strived in maintaining a corporate governance system of high standard to enhance transparency and protect the interests of shareholders. The exception is the functions of the remuneration committee and the nomination committee were both carried out by the Human Resources Management and Remuneration Committee. This arrangement was in place because the company believes that this arrangement has always been effective and it suits the needs of the company better. Members of the Human Resources Management and Remuneration Committee are independent non-executive directors. Such composition of the committee can effectively protect the interests of the shareholders.

During the reporting period, the Company strictly complied with the Company Law, the Securities Act and the requirements of the relevant laws, regulations and regulatory documents of the CSRC (China Securities Regulatory Commission) and continued to improve the corporate governance structure, vigorously promoting the internal control and regulation. The Company duly complied with its obligation of disclosure and enhanced its management of investors' relations and the level at which its operations are regulated.

XIII Audit Committee

As per its terms of reference, the Audit Committee is mainly responsible for monitoring the establishment and functioning of the Company's internal audit system, evaluating financial information and its disclosure, reviewing the internal control system and the way in which it runs, reviewing major connected transactions, facilitating the communication between the Company's internal and external auditors, and supervising and monitoring internal and external audit.

As at 31 December 2014, the Audit Committee of the Company composed of Mr. Yang Mianzhi (chairman), Mr. Meng Jie and Mr. Hu Bin, one of them being a non-executive director and two of them being independent non-executive directors.

In the year 2014, the Audit Committee held 6 meetings. Details of attendance of the meetings of the Audit Committee are as follows:

Member's name	Attendance at meetings (times)	Number of meeting (times)	Attendance rate
Yang Mianzhi	6	6	100%
Wu Xinhua (resigned on 17 August 2014)	4	4	100%
Hu Bin	6	6	100%
Meng Jie(appointed on 17 August 2014)	2	2	100%

The Audit Committee held 6 meetings during the reporting period and had ample communication with the Company and the auditors. It reviewed the 2013 annual, 2014 first quarterly, interim and third quarterly financial statements of the Company. It submitted for the board's approval the 2014 audited report and, the internal control and self evaluation report for the board's approval and its recommendation for PricewaterhouseCoopers Zhong Tian LLP (A-share) and PricewaterhouseCoopers (H-share) to be re-appointed as the audit institution in the forthcoming year. Moreover, it also put forward suggestions on the evaluating report of Xin'an equities transfer, daily connected transaction of 2015, change of accounting policies and so on. Please refer to the 2014 Report on How the Audit Committee Discharged its Duties for details of the Audit Committee's work.

XIV Prospect and Outlook

In 2015, macro economy and regional economy will develop along a path of healthy and stable growth. The overall, multi-field and profound reformative innovation will gradually clear the unreasonable and instable factors in the real economy so as to create momentum for social and economic development. There is considerable room for the reform of state-owned in terms of mixed ownership system, integration of industries, restructuring of assets and so on. With the gradual deepening of reform, the Company will benefit from the fruit of the reform and upgrade in terms of scale and structure of assets, efficiency and level of management, etc.

At the beginning of 2015, Suggestions about Deepening Reform of Transportation Holistically compiled by Ministry of Transportation was officially issued. The reform will be a breakthrough in relation to integrated transportation system, modern transportation market system, toll highway system, modern transportation service and other areass.

On 5 February and 28 February 2015, the Central Bank respectively reduced the reserve requirement ratio and deposit-reserve ratio stipulated for financial institutions. In the context of the world's relatively less restrictive currency policy, in order to further improve economic growth and provide a favorable currency environment for the adjustment, transformation and upgrading of economic structure. In terms of the unrestricted currency policy in 2015, the company expects to continuously reduce the financing cost and further improve the business benefits.

At present, the company's shareholders are discussing matters of merger. In Anhui province, the deepening of reform of state-owned enterprises and completion of industrial integration has moved forward greatly. The transportation holding group after restructuring will improve quantitatively and qualitatively in terms of the asset scale, financing capability, industrial advantage, industrial structure and so on.

The backup foundation for company's development and external environment that we are facing will change profoundly.

However, in a short period of time, our company is still facing the slow-down of main industry and encountering bottlenecks. The policy of exemption becomes increasingly common. Moreover, the fact that high-speed trains are becoming popular has brought great pressure. Pertinent to this, the Company will grasp the new situation of macro economy and new trend of industrial development accurately, analyze the situation carefully, make active adjustment, stand foothold to reform and innovation, rely on highway property and finance, deepen operation and management, continuously improve efficiency of business and investment benefits.

In 2015, the Company will carry out the following work:

Firstly, it will speed up the second phase Ningqian Section construction of Ningxuanhang Expressway in a stable manner, aiming at opening traffic at the end of the year, and complete the preliminary work for the third phase Lixuan Section construction as soon as possible in order to begin construction early if possible.

Secondly, it will further enhance the business management of expressway and strive to accomplish the annual goal of toll income.

Thirdly, the Company will allocate its funds reasonably, satisfy the demands for funding of projects in respect of which construction is under way effectively, make full use of domestic financing channels and overseas financing platforms, explore low-cost and low-risk financing tools, improve financing efficiency, pay close attention to the updates on the financial market, and issue short-term financing bonds or corporate bonds timely targeting at the middle- and short-tern financing cost.

Fourth, the Company will strengthen the risk control and supervision of financing service, and actively promote the disposal of risk debts, and also make good control of financing investment.

By order of the Board
Zhou Renqiang
Chairman

Hefei, the PRC, 27 March 2015

As at the date of this announcement, the board of directors of the Company comprises: Zhou Renqiang, Li Junjie, Chen Dafeng, Xie Xinyu, Wu Xinhua, Meng Jie, Hu Bin, Yang Mianzhi and Kong Yat Fan.